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RONALD A. LONGTIN, JR., CLERK
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DEPUTY

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

WORLD BOTANICAL GARDENS,
INC., a Nevada corporation,

Plaintiff,

vs.

Case No. CV05-02079

Dept. No. 6

WALTER WAGNER, LINDA
WAGNER, DAN PERKINS, DAVID
ADAMS, RON TOLMAN, JACQUE
TOLMAN, KIM HARRIS, DOUG
HANSEN, JIM MCBETH, DOES I
through X, and ROE ENTITIES
I through X,

Defendants.

**FINDINGS OF FACT, CONCLUSIONS OF LAW, ORDER OF CONTEMPT, AND
JUDGMENT OF CONTEMPT**

On January 16, 2007, at 1:30 p.m., this Court conducted a hearing on the Motion to Enforce Contempt against Defendant Walter Wagner and Defendant Dan Perkins for violations of the Preliminary Injunction and the Permanent Injunction previously entered in this case. In addition, this Court conducted a hearing on the Motion to Vacate. The Court's Administrative Assistant set the hearing at the convenience of Defendant Walter Wagner, who was in Monterey, California that week and agreed to travel to Reno, Nevada for the

1 Hearing. Robert W. Story of Story & Sertic appeared on behalf of
2 Plaintiff World Botanical Gardens, Inc. ("WBGi"). Annette Emerson
3 from San Francisco, California, Preston Michie from Portland,
4 Oregon, and Ken Francik from Los Angeles, California also appeared
5 on behalf of WBGi. Francik testified for WBGi. Neither Defendant
6 Walter Wagner nor Defendant Dan Perkins appeared. Instead,
7 Defendant Walter Wagner and Defendant Dan Perkins telephoned the
8 Court's Administrative Assistant shortly before the hearing to
9 inform the Court that Defendant Walter Wagner and Defendant Dan
10 Perkins would be available by telephone.

11 After considering the testimony, evidence, and arguments
12 together with the evidence presented at the trial, the Court now
13 enters its Findings of Fact, Conclusions of Law, and Judgment of
14 Contempt as follows:

15 **FINDINGS OF FACT**

16 1. Defendant Walter Wagner and Defendant Dan Perkins were
17 informed and well-aware that they, as well as Plaintiff WBGi, were
18 ordered by the Court to appear in person for the Motion to Enforce
19 Contempt hearing; and Defendant Walter Wagner and Defendant Dan
20 Perkins knowingly and intentionally and without legal excuse did
21 not appear for the Motion to Enforce Contempt hearing.

22 2. Defendant Walter Wagner and Defendant Dan Perkins
23 knowingly and intentionally defrauded 60 innocent and unsuspecting
24 investors who thought they were purchasing WBGi stock from WBGi
25 through authorized agents of WBGi in a total amount of \$351,520.00,
26 funds which these unsuspecting investors intended WBGi to receive
27 and use to meet WBGi's capital needs. Instead, Defendant Walter
28 Wagner and Defendant Dan Perkins illegally and intentionally

1 misappropriated these funds to their personal purposes such that
2 WBGI did not received any of these funds. Of this \$351,520.00,
3 Defendant Walter Wagner personally received \$281,216.00 and
4 Defendant Dan Perkins personally received \$70,304.00, representing
5 an agreed upon 80-20 split of the proceeds of their wrongdoing.

6 3. The total amount of \$351,520.00 for the sale of WBGI stock
7 belongs to WBGI, the corporation; and WBGI, the corporation, has
8 been ordered by the Court to issue stock certificates to the actual
9 investors once WBGI receives the money from the sale of the WBGI
10 stock and a final accounting of these improper shares sales has
11 been made by Defendant Walter Wagner and Defendant Dan Perkins.

12 4. After the Court entered the Preliminary Injunction,
13 Defendant Walter Wagner and Defendant Dan Perkins knowingly,
14 fraudulently, and in violation of the Preliminary Injunction sold
15 shares of WBGI to at least nine innocent and unsuspecting investors
16 and knowingly, fraudulently, and in violation of the Preliminary
17 Injunction attempted to sell shares of WBGI to at least four
18 additional innocent and unsuspecting investors. Defendant Walter
19 Wagner and Defendant Dan Perkins knowingly violated the "no stock
20 sale" provision of the Preliminary Injunction at least 13 separate
21 times through actual and attempted sales of WBGI stock.

22 5. At the conclusion of the trial, the Court ordered
23 Defendant Walter Wagner and Defendant Dan Perkins to produce to the
24 Court and WBGI by 5:00 p.m. on October 31, 2006 a complete
25 accounting of these share sales, including all banking and related
26 records for all improper share sales, which the Court expressly
27 defined as any purported transfer of an interest in WBGI by any
28 Defendant without the permission of WBGI's Board of Directors.

1 Neither Defendant Walter Wagner nor Defendant Dan Perkins produced
2 these records to the Court or WBGI.

3 6. Defendant Walter Wagner violated the spirit of the Court's
4 order that he stay 90 feet away from all WBGI property by having
5 his wife, Defendant Linda Wagner, enter WBGI property to serve
6 documents on a person that Defendant Walter Wagner incorrectly
7 assumed was a WBGI employee and who was not capable of receiving
8 service on behalf of WBGI.

9 **CONCLUSIONS OF LAW**

10 1. Defendant Walter Wagner and Defendant Dan Perkins hold the
11 \$351,520.00 for the sale of WBGI stock in a constructive trust for
12 benefit WBGI. Of that \$351,520.00, Defendant Walter Wagner holds
13 \$281,216.00 and Defendant Dan Perkins holds \$70,304.00.

14 2. Defendant Walter Wagner and Defendant Dan Perkins are in
15 willful and direct contempt of the Court's Order under NRS Chapter
16 22 and the equitable authority of the Court to enforce its orders
17 for their failure to produce to the Court and to WBGI all banking
18 and related records for all improper share sales.

19 3. Defendant Walter Wagner and Defendant Dan Perkins are in
20 willful and direct contempt of the Preliminary Injunction under NRS
21 Chapter 22 and the equitable authority of the Court to enforce its
22 orders at least 13 separate times for violation of the Preliminary
23 Injunction through their knowing and fraudulent sale and knowing
24 and fraudulent attempted sale of shares of WBGI to innocent and
25 unsuspecting investors, and misappropriating the proceeds to their
26 personal purposes.

27 **ORDER OF CONTEMPT**

28 IT IS HEREBY ORDERED that a constructive trust in the amount

1 of \$281,216.00 is imposed upon WBGI funds received by Defendant
2 Walter Wagner and that a constructive trust in the amount of
3 \$70,304.00 is imposed upon WBGI funds received by Defendant Dan
4 Perkins for the \$351,520.00 that Defendant Walter Wagner and
5 Defendant Dan Perkins knowingly and intentionally defrauded from 60
6 innocent and unsuspecting investors who thought they were providing
7 capital to WBGI by investing in WBGI stock.

8 IT IS HEREBY FURTHER ORDERED that Defendant Walter Wagner and
9 Defendant Dan Perkins are each sentenced to serve 90 days in the
10 Washoe County Jail with a no bail hold and to each pay a \$3,000.00
11 fine for their knowing, willful, and direct contempt of the
12 Preliminary Injunction and other Court orders.

13 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 22.100,
14 WBGI is awarded its attorneys' fees in the amount of \$23,170.63
15 against Defendant Walter Wagner and Defendant Dan Perkins, jointly
16 and severally.

17 IT IS HEREBY FURTHER ORDERED that all Defendants - Walter
18 Wagner, Linda Wagner, Dan Perkins, and Dave Adams - are hereby
19 restrained and enjoined, unless they receive advance written
20 approval of WBGI's Board of Directors, from entering upon or being
21 within 90 feet of the property known as the World Botanical
22 Gardens.

23 IT IS HEREBY FURTHER ORDERED that Defendants' Motion to Vacate
24 is denied.

25 IT IS HEREBY FINALLY ORDERED that the Court reserves
26 jurisdiction to impose additional sanctions for civil contempt in
27 order to coerce compliance by all Defendants with all the Court's
28 orders and injunctions.

JUDGMENT OF CONTEMPT

JUDGMENT IS HEREBY GRANTED in favor of Plaintiff WBGI and against Defendant Walter Wagner in the amount of \$281,216.00 together with pre-judgment interest at the legal rate from the date of each fraudulent share sale and post-judgment interest at the legal rate.

JUDGMENT IS HEREBY GRANTED in favor of Plaintiff WBGI and against Defendant Dan Perkins in the amount of \$70,304.00 together with pre-judgment interest at the legal rate from the date of each fraudulent share sale and post-judgment interest at the legal rate.

JUDGMENT IS HEREBY GRANTED in favor of Plaintiff WBGI and against Defendant Walter Wagner and Defendant Dan Perkins, jointly and severally, in the amount of \$23,170.63 together with post-judgment interest at the legal rate.

~~Robert Adams~~

DISTRICT JUDGE

DATED: February 7, 2007.

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CERTIFIED COPY

SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

THE HONORABLE BRENT ADAMS, DISTRICT JUDGE

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WORLD BOTANICAL GARDENS, Case No. CV05-02079

Plaintiff, Dept. No. 6

vs.

WALTER L. WAGNER, et al,

Defendants.

TRANSCRIPT OF PROCEEDINGS

ORDER OF THE COURT

MONDAY, AUGUST 21, 2006

APPEARANCES:

For the Plaintiff:

Robert W. Story, Esq.
Attorney at Law
777 Sinclair Street, Suite 201
Reno, Nevada 89501

Robert S. Larsen, Esq.
Attorney at Law
777 Sinclair Street, Suite 201
Reno, Nevada 89501

Reported By:

Leslie R. Rosenthal, CCR #819

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For the Defendant: Treva J. Hearne, Esq.
Attorney at Law
910 E. Parr Boulevard, Suite 8
Reno, Nevada 89512

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4 RENO, NEVADA, MONDAY, AUGUST 21, 2006

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6 THE COURT: Thank you, Mr. Story.

7 This is a case in which in a real sense it
8 doesn't seem to matter what the Court does.

9 We've consumed now two and a half days of
10 trial, most of which has been recovering the very same
11 issues that were litigated on the motion for preliminary
12 injunction release and the permanent injunction.

13 I have stated twice in findings of fact, that
14 have not been appealed anywhere, and I reaffirm again all
15 the findings of fact contained in the preliminary
16 injunction entered October 21, 2005, and the order for
17 permanent injunction entered April 24, 2006.

18 In those orders the Court found that World
19 Botanical Gardens, Inc., known as WBGI, is a Nevada
20 corporation located in Oahu, Hawaii, doing business as
21 Botanical Garden, as a Nevada corporation. WBGI is
22 governed by a Board of Directors.

23 As I have twice found the Board of Directors
24 is the Board of Directors of the plaintiff in this case,

1 namely Mr. Francic, Mr. Michie, as the vice chairman of
2 general counsel Ms. Emerson, Leslie Hobos, Don Robinson,
3 Don Miller, and Geihildeuhl, G-e-i-h-i-l-d-e-u-h-l.

4 As the Court has twice earlier found, the
5 Court again confirms that the WBGI Board of Directors as
6 listed has directed WBGI's business affairs since
7 September 25, 2000. It is the lawfully constituted
8 governing board of this corporation.

9 Again, as I have twice earlier found, the
10 defendant Mr. Wagner created a second unauthorized Board
11 of Directors through which he and Mr. Tolman and others
12 have caused and continued to cause confusion among the
13 shareholders of WBGI, and through which Mr. Wagner
14 directly and through others have attempted to wrest
15 control of WBGI through the unauthorized Board of
16 Directors.

17 Mr. Wagner testified last year, and again at
18 this trial, to his theory that there are in effect two
19 entities, something called a venture partnership and
20 something called the corporation.

21 I have earlier found, and I find again, that
22 testimony is not credible. The Court does not accept it.
23 It makes absolutely no sense for a business, formed and
24 operating as a corporation doing business as a

1 corporation, maintaining corporate votes, records, and
2 accounts, receiving corporate income and paying corporate
3 obligations, to have some separate organization called a
4 venture partnership.

5 Among the most notorious things Mr. Wagner
6 has testified to is his testimony with regard to Exhibit
7 15.

8 Exhibit 15 is the exhibit which he contends
9 authorizes him and his supporters to be the operating
10 Board of Directors in this corporation.

11 The bylaws in Exhibit 15 and the resolution
12 were adopted on September 13, 2004, and yet Mr. Wagner
13 contends that those actually did not occur with the
14 knowledge that on September 2, 2004, as reflected in
15 Exhibit 12, Mr. Wagner had by unanimous vote been removed
16 from the Board of Directors, that is absolutely nonsense.
17 I don't think this Court or any court anywhere in the
18 world would accept that testimony.

19 So for years there hasn't been any real or
20 genuine dispute about the authority of the Board of
21 Directors of this corporation, or about its legally
22 authorized representative.

23 But what there has been is a relentless
24 campaign by Mr. Wagner in jurisdiction after

1 jurisdiction, court after court, to totally refuse to
2 accept the findings of the Court, the results in cases,
3 common sense, anything.

4 It is true that Mr. Wagner is the founder and
5 originator of the Botanical Gardens, which is the subject
6 of this case. Is it true he and his wife -- their
7 colleagues worked their hearts out for many years to
8 create this beautiful attraction -- commercial
9 attraction, in the State of Hawaii.

10 But after the enterprises incorporated, after
11 a new board was put in place, and after that board
12 decided not to go in Mr. Wagner's direction, after the
13 board raised serious question about his disposition of
14 corporate assets, his use of corporate money and other
15 matters, and after the board finally removed him both as
16 an employee and as an officer, from that day to this
17 Mr. Wagner just will not accept that result. And so he's
18 actively engaged in litigation all these years, he has
19 done what he could to freeze the corporate bank account,
20 he's gone on the corporate property despite being told in
21 writing that he was not permitted to do so, he's placed a
22 lis pendens on a corporate property on a property sold to
23 a third-party.

24 And it doesn't seem to matter what any court

1 does. It doesn't seem to matter that one judge in
2 Hawaii, this judge in Nevada on twice, two, and now three
3 occasions, has told him that his view of life is not
4 true.

5 The facts he asserts are not correct. He
6 just continues to behave as though he runs the
7 corporation, and he engages in every kind of act possible
8 to prevent those authorized and elected to manage the
9 corporation from doing so.

10 The Court's frustration in this case is not
11 what result might be warranted by the law and the facts,
12 my frustration is how any court anywhere can enforce any
13 order that might be an inducement to Mr. Wagner, who has
14 a legal degree, to recognize the efficacy of legal
15 decisions and comply with them.

16 The Court's order on October 22nd, 2005 was
17 very, very clear in regard to WBGI stock and restrained
18 and enjoined marketing or selling any real or personal
19 property owned by WBGI, and specifically selling or
20 marketing -- this is Paragraph 10, Page 6, Line 24,
21 "selling or marketing any WBGI shares and stock without
22 WBGI Board of Director's approval."

23 That order shouldn't have been any surprise
24 to Mr. Wagner. He wrote that very provision in the

1 shareholder agreements whichever person has purchased a
2 share of stock in this corporation has signed, including
3 himself.

4 It's always been the condition of the sale of
5 shares of this corporation that they be done with WBGI
6 Board of Director's approval.

7 Mr. Wagner argues, well, I thought that just
8 meant WBGI shares, but not shares in WBGI that I own.

9 Now, what possible sense can that make? The
10 only shares Mr. Wagner could ever sell would be the ones
11 he owned, not even he claims he was authorized after the
12 entry of a preliminary injunction to sell WBGI treasury
13 shares, or unissued shares, or shares in somebody else.

14 His argument is nonsensical. He has
15 continued to sell WBGI shares of his knowing that such a
16 sale was in direct violation of the Court's order entered
17 October 22nd, 2005. And also in violation of the
18 permanent injunction entered April 24, 2006.

19 Further evidence that Mr. Wagner did so
20 intentionally and illegally is the manner by which said
21 shares were sold.

22 The straight-forward way to sell shares in
23 this corporation would be to find a buyer, have a simple
24 contractor bill of sale acknowledging the consideration

1 received and the shares sold, and request from the Board
2 of Directors that the identity of the shareholder be
3 changed and a new certificate issued for ownership of
4 shares, and also, by the way, ask for the Board of
5 Director's approval selling the shares.

6 Mr. Wagner obviously, and the Court finds
7 intended to, and did sell his shares, and at the same
8 time intended to and did conceal from the board those
9 sales, so that he wouldn't have to obtain permission
10 before the purchasers actually received their shares, and
11 that's evident by the Wallace transaction, which the
12 Court finds is a characteristic transaction.

13 In that transaction and others, Mr. Wagner
14 created a certificate, and there are other exemplars of
15 this in Exhibit 95 that makes no sense at all. It's not
16 a certificate of the corporation, it's not a certificate
17 authorized by anybody except Mr. Wagner and Mrs. Wagoner.

18 It doesn't even tell the purchaser what
19 they're getting, it says almost 30 shares, it doesn't say
20 of what. And then it says in the World Botanical Gardens
21 joint venture partnership, which the Court has twice
22 found and finds a third time in which Mr. Wagner knows to
23 a certainty does not exist, owns nothing, controls
24 nothing, and is not a legal entity in any state or

1 territory in the United States.

2 That was the document he gave people who gave
3 him money. That conduct, the Court finds, is in
4 violation of the preliminary injunction and the permanent
5 injunction, and was engaged in with knowledge of those
6 orders and was intentionally fraudulent. Because
7 Mr. Wagner and Mr. Perkins represented to purchasers,
8 such as Mr. Wallace, that in effect they were purchasing
9 stock in the corporation, but what they were purchasing
10 was this joint venture certificate.

11 Mr. Perkins and Mr. Wagner who sold the --
12 made the sales to these people, never transferred the
13 stock, never asked the company to transfer the stock. So
14 these people were part of a very substantial amount of
15 money to Mr. Perkins and Mr. Wagner and received nothing,
16 nothing except words and concepts such as joint venture
17 partnership.

18 Another piece of legerdemain by Mr. Wagner is
19 this notion of a foundation. As Mr. Wagner points out,
20 in connection with Botanical Gardens and many other forms
21 of commercial activity, including charitable activities,
22 foundations are often formed to support those activities.
23 In connection with the Botanical Gardens, the raising of
24 flowers and plants, the cultivation of the property, the

1 enhancement of the property, or the building of
2 structures on the property.

3 But, of course, as Mr. Hansen -- as
4 Mr. Wagner, based on his activity with these botanical
5 gardens and several other botanical gardens, his
6 background as a lawyer, well knows the foundation is
7 created as a legal entity, a corporation, usually a
8 nonprofit corporation.

9 Ordinarily as a corporation, which as
10 Mr. Wagner acknowledges seeks tax exempt status under
11 Section 501C3 of the tax code of the United States. And
12 contributions to such a foundation being tax exempt and
13 are used not for the purpose of profit, nor for the
14 purpose of benefitting the gardens or the real property
15 in question.

16 What Mr. Wagner called the foundation in this
17 case is nothing. It is a figment of his imagination.
18 Nothing has ever been filed with any proper agency and
19 government anywhere. No corporation for the foundation
20 has been created. There's no evidence of any separate
21 bank accounts managed anywhere by anybody.

22 Mr. Wallace certainly wasn't told that he was
23 contributing to grow flowers, he thought and was told by
24 Mr. Perkins that he was buying stock.

1 The foundation is just another creation of
2 this psychic world Mr. Wagner lives in, a totally false
3 universe in which he is still in charge of the gardens,
4 and the manager of the gardens, and the benefactor of the
5 gardens, when in fact for years and years he's had no
6 authority to do anything, to conduct any business, to
7 make any management decision of any kind or to sell any
8 asset of any nature, including stock in this corporation.

9 It's very sad to me that Mr. Wagner does
10 these things. He's created a thing of great beauty in
11 his finding and creation of these gardens. But for years
12 he has been living in a fantasy world, striking out and
13 attempting to prepare and diminish, if not destroy, the
14 legal conduct of the only corporation which exists to
15 manage these properties.

16 The testimony of Mr. Hansen -- or Dr. Hansen
17 was interesting to me. He's obviously a very
18 intelligent, well educated person with a Ph.D. in
19 physics, he's the brother-in-law of Mr. Wagner. I can't
20 imagine that he's terribly interested in this business
21 other than his, perhaps a conscript from the family, but
22 he did participate in the meeting and Spanish Fork, Utah,
23 he knew there was a corporation, he knew the corporation
24 had a Board of Directors, and he was plainly and

1 obviously engaged with his brother-in-law, Mr. Wagner, in
2 creating some alternative universe of corporate
3 governments in control to clout the actual management of
4 the garden.

5 People such as Mr. Hansen and Mr. Perkins and
6 Mr. Wagner who do these things can't expect to do them
7 without consequences.

8 The testimony is replete with evidence about
9 Mr. Wagner trying to paralyze the corporate bank account
10 with its obvious consequence of returned checks and
11 confused accounting, the havoc that was visited on the
12 corporation.

13 The Court has received evidence about
14 Mr. Wagner's efforts in regard to the website, and
15 sometimes he publicly says, well, I have nothing to do
16 with the website, and it's fine with me, and then when
17 he's plainly asked will you have noting to do with the
18 website and leave it alone, then he becomes vague again.

19 The truth is every single place and time he's
20 had an opportunity to do it, whether it's recording a lis
21 pendens, even though he has no ownership in the piece of
22 property, or whether he's freezing the bank accounts or
23 whether he's using the website or visiting the property
24 when he's told in writing not to go there.

1 He just will not cease in his campaign that
2 if he can't control things he will see to it that the
3 gardens are a failure and now he threatens a receivership
4 in pursuing other cases in Hawaii.

5 He just won't quit. He won't stop unless he
6 gets his own way, no matter how many directors or Boards
7 of Directors or shareholders or courts decide otherwise.

8 The Court finds that the defendant -- the
9 defendants, Mr. Wagner and Mr. Perkins, have violated the
10 preliminary injunction and permanent injunctions entered
11 in this case.

12 The Court orders Mr. Perkins and Mr. Wagner
13 to serve and file in this case no later than Friday,
14 September 8, 2006 at 5:00 a full and complete accounting
15 setting forth the names and purchase price received, and
16 amount of shares sold of any stock or any interest of any
17 nature whatsoever in the plaintiff corporation from
18 January 1, 2005 to the present, including copies of all
19 checks received from any such person or on their behalf,
20 complete bank records of any depository in which said
21 checks were deposited, the name of the depositor and the
22 account holder, and the records, including copies of
23 cancelled checks, reflecting the disposition of each such
24 check.

1 The Court finds that as an equitable remedy,
2 given the fact that innocent third-parties have purchased
3 stock from defendants Wagner and Perkins, subsequent to
4 January 1, 2005, and without any authority to do so, or
5 any consent of the Board of Directors, that a constructed
6 trust is hereby placed upon any set of sale proceeds, and
7 no later than 60 days after the service and filing of the
8 accounting that I just ordered, such proceeds shall be
9 paid to the plaintiff corporation and their counsel in
10 cash or certified funds.

11 Whereupon the corporation shall issue to the
12 purchasing parties shares of stock in the World Botanical
13 Gardens, Inc., and representing the number of shares
14 stated by Mr. Wagner and Mr. Perkins in each such
15 transaction, thereby also reducing the number of shares
16 owned by Mr. Wagner, or on his behalf, or by World
17 Botanical Gardens Foundation, which the Court finds to be
18 a DBA of Mr. Wagner, in the corporation.

19 As to the nature and extent of alleged
20 activities by Mr. and Mrs. Wagner of embezzlement the
21 Court has not had occasion to make findings of facts
22 about that subject because there has been no presentation
23 of evidence either by the board or by the defendants.
24 The Court understands that that question of damages is

1 pending in another court.

2 So I don't believe there is any occasion for
3 the Court to make further orders on that subject at this
4 time, except to find that Mr. Wagner has not complied
5 with any request of production which was served pre-trial
6 in this case, and therefore, is in contempt of court for
7 failure so to do.

8 The Court finds as a matter of law, as I've
9 noted, not only does the board representing the plaintiff
10 corporation constitutes the only legal Board of
11 Directors, and the only corporation of legal entity
12 authorized to conduct business and to use the tradename
13 for trademark -- well, apparently there is no trademark,
14 use the tradename or website name or commercial name of
15 World Botanical Gardens, or World Botanical Gardens, Inc.
16 And the Court finds as a matter of law that any entity
17 known as the World Botanical Gardens joint venture
18 partnership does not exist and has no legal authority to
19 conduct any business of any nature.

20 The Court at this time extends the terms of
21 the permanent injunction to all defendants, and their
22 officers, agents, counsel and employees. All defendants
23 are permanently hereby restrained and enjoined from each
24 of the activities set forth in the permanent injunction,

1 and generally from acting in any way directly or
2 indirectly by any manner or means or through any
3 third-parties in interfering with the conduct and the
4 management of the business known as World Botanical
5 Gardens, Inc.

6 The damages established as a result of the
7 defendant's interference with the website are, I agree
8 with Mr. Story, very modest. They don't take into
9 account the many, many hours of uncompensated labor
10 contributed by board members and officers of the
11 corporation to deal with the behavior of Mr. Wagner. And
12 the Court enters judgment against Mr. Wagner and
13 Mr. Hansen jointly and severally in the amount of
14 \$12,737.06.

15 As to the order to show cause, as I've noted,
16 the Court finds that the defendant Wagner and the
17 defendant Perkins have been in contempt of said order for
18 the sales of stock since October 21, 2005.

19 The Court additionally orders in this final
20 judgment that the defendants may not directly or
21 indirectly or through any manner or means or through any
22 third-party sell or transfer, alienate any stock of this
23 corporation, including stock owned by them or by their
24 destinies, without the express prior written approval of

1 the Board of Directors.

2 The defendant Walter Wagner is hereby
3 restrained and enjoined, unless and until he receives the
4 advance written approval of the Board of Directors of
5 plaintiff corporation, from entering upon or being within
6 90 feet of the property known as World Botanical Gardens
7 at any time.

8 It is the further order of the Court that the
9 Court shall be notified by counsel within 24 hours of any
10 violation of this final judgment, however slight.

11 The defendants and each of them are enjoined
12 from interfering in any way with the operation of the
13 WBGI website. Specifically, Mr. Wagner is hereby ordered
14 and directed to undertake all acts necessary at the
15 earliest possible time to remove any interference if any
16 such interference exists.

17 The Court finds specifically that the WBGI
18 website is owned exclusively by World Botanical Gardens,
19 Inc. under the direction of the Board of Directors, the
20 incumbent Board of Directors.

21 It is true that the lis pendens were recorded
22 and the real property records in the State of Hawaii.
23 The Court does not have authority in this case to
24 extinguish the lis pendens.

1 However, as I have noted, Mr. Wagner has
2 repeatedly in every possible way clouded the Court's
3 prior orders in this case, and has interfered in diverse
4 ways with the management and conduct of the business of
5 the World Botanical Gardens, Inc.

6 There is no evidence or testimony in this
7 case which suggests that the lis pendens placed -- which
8 he has placed on the real property of WBGI Inc. in Hawaii
9 and as to Mr. Neil, the horticulturist for the property,
10 that Mr. Wagner has any right, title, or interest to
11 those properties, one is owned with WBGI, and the other
12 as at least attempted to be sold to Mr. Neal, and
13 therefore the Court directs Mr. Wagner to forthwith
14 extinguish the lis pendens.

15 Likewise, there has been no testimony
16 received from any source to the effect that the lis
17 pendens with the Court -- the corporation has placed on
18 Mr. Wagner's property represents any claim of the right,
19 title or interest by the corporation to Mr. Wagner's
20 property.

21 The dispute between Mr. Wagner and the
22 corporation is a dispute of claims for embezzlement and
23 those claims on the part of the corporation and claims
24 for compensation on the part of Mr. Wagner. So the Court

1 directs the corporation to remove the lis pendens from
2 Mr. Wagner's property.

3 The Court finds that each sale by Mr. Wagner
4 or Mr. Perkins of an interest of whatever nature in World
5 Botanical Gardens, Inc., including the transactions
6 that's the subject of testimony in this case, including
7 Mr. Wallace's sale, constitutes an instance of willful
8 direct contempt of the preliminary injunction.

9 And as to each such instance each defendant
10 is hereby sentenced to 15 days in jail, consecutively,
11 and as to each such instance to pay a \$500 fine.

12 In addition to this disgorgement of all
13 income from said sales, as I previously ordered.

14 The total number of such instances of
15 contempt is as yet undetermined because neither
16 Mr. Perkins nor Mr. Wagner, shockingly in my view, were
17 unable to simply tell me during repeated examination by
18 the Court and counsel during the trial just how many
19 people had purchased stock and how much stock and for how
20 much money.

21 At the suggestion of plaintiff's counsel, the
22 jail sentence and fine are hereby suspended. On the
23 condition that defendants comply with the earlier orders
24 I've entered in this case, including the accounting and

1 the disgorgement of proceeds in cash or certified funds.

2 And upon the further condition of all the
3 defendants strictly comply with the Court's orders
4 entered in this case.

5 And again, I stress that any order which is
6 not timely performed, counsel is directed to so notify
7 the Court within 24 hours.

8 The Court at this time awards the plaintiffs
9 their costs and attorney's fees and prosecution of the
10 order to show cause, subject to a memorandum of costs and
11 disbursements and an affidavit supporting attorney's fees
12 to be submitted to the Court, together with the written
13 findings and judgment consistent with this decision.

14 And the Court grants plaintiffs and their
15 counsel leave to file within 30 days any additional -- to
16 serve and file within 30 days any additional request for
17 attorney's fees and costs under any other legal
18 authority.

19 Mr. Story, would you prepare findings and
20 judgment consistent with this decision?

21 MR. STORY: I will, Your Honor.

22 THE COURT: Thank you.

23 Court is in recess.

24

(Proceedings concluded.)

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1 STATE OF NEVADA)

2) ss.

3 COUNTY OF WASHOE)

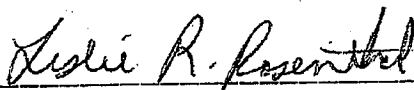
4 I, LESLIE R. ROSENTHAL, Certified Court
5 Reporter in and for the State of Nevada, do hereby
6 certify:

7 That the foregoing proceedings were taken by
8 me at the time and place therein set forth; that the
9 proceedings were recorded stenographically by me and
10 thereafter transcribed via computer under my supervision;
11 that the foregoing is a full, true and correct
12 transcription of the proceedings to the best of my
13 knowledge, skill and ability.

14 I further certify that I am not a relative
15 nor an employee of any attorney or any of the parties,
16 nor am I financially or otherwise interested in this
17 action.

18 I declare under penalty of perjury under the
19 laws of the State of Nevada that the foregoing statements
20 are true and correct.

21 Dated this 22nd day of August, 2006.

22 
23 Leslie R. Rosenthal, CCR #819